GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:549
ANSWERED ON:12.04.2017
Financial Assistance to BSNL and MTNL
Yadav Shri Laxmi Narayan

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government proposes to provide financial assistance/package to the Mahanagar Telephone Nigam Limited (MTNL) and Bharat Sanchar Nigam Limited (BSNL) on the lines of financial packages given to Air India;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the other measures taken/being taken by the Government to tide over the debt liability, if any, of the said Telecom Public Sector Units?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (c) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.549 FOR 12TH APRIL, 2017 REGARDING "FINANCIAL ASSISTANCE TO BSNL AND MTNL ".

(a) to (c) As on 31st March, 2017, the total debt liability of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) is Rs.3218 crores and Rs.15058 crores respectively. Government has provided financial assistance to BSNL and MTNL in the following forms:
i) Refund of surrendered BWA (Broadband Wireless Access) spectrum in two service areas held by MTNL and in 6 service areas held by BSNL. Under this head, Rs. 4533.97 crore has been refunded to MTNL through bonds and Rs. 6724.51 crore has been refunded to BSNL through budgetary resources.
ii) The pension liability of MTNL for its staff who got absorbed from Department of Telecommunications (DoT), has been taken over by the Government.
iii) Notional loan of Rs. 1411 crore to BSNL which was due to be paid to the Government was waived-off.
iv) Financial support of Rs. 492.26 crore has been given to MTNL on account of liability arising from levy of Minimum Alternate Tax (MAT).
v) Refund of Rs. 458.04 crore to MTNL and Rs. 169.16 crore to BSNL on account of surrender of CDMA (Code Division Multiple Access) spectrum.

Government has also assigned some projects to BSNL to supplement its revenue, which are as follows:-
i) Comprehensive Telecom Development Plan for the North-Eastern Region (NER) for provision of mobile services in uncovered villages in Arunachal Pradesh and two districts of Assam at estimated project cost of Rs. 1975.38 crore.
ii) Implementation of Transmission-Media Plan for NER at an estimated cost of Rs.295.97 crore on 10.9.2014.
iii) Providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas at an estimated cost of Rs. 3567.58 crores on 4.6.2013.
iv) Implementation of Comprehensive Telecom Development plan for Andaman & Nicobar Islands and Lakshadweep Islands through augmentation of satellite connectivity/bandwidth at an estimated cost of Rs. 120.49 crores on 7.11.2014.
v) Network for Spectrum (NFS) project for setting up of alternate network of Defence by laying 57,000 kms Optical Fibre Cable (OFC) at a total cost of Rs.13,334 crores. Amount of Rs.2220 crores, Rs.3210 crores were allotted to BSNL during Financial Years 2015-16 and 2016-17 respectively.
vi) National Optical Fiber Network (NOFN) now known as Bharat-Net project to provide high speed broadband facility to all 2.5 lakh Gram Panchayats throughout the country is being carried out mostly by BSNL. This project is fully funded by the Government.